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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

## INFORMATION REPORT

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COUNTRY Austria/USSR

DATE DISTR. 31 August 1949

SUBJECT Dismantling and Reorganization at  
SMV Installations

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1. SMV employees believe that Korneuberg is the next refinery scheduled for dismantling. The equipment and materials are to be shipped to the SMV Lobau or Neusiedl warehouse. Sipiagin, a recent arrival from Moscow, is now inspecting Korneuberg warehouses from which he has purchased all seam-less piping for transfer to Lobau. On 25 September 1949, all SMV enterprises are to start inventorying. When the inventory is completed, Sipiagin will succeed Mitelman.
2. Reorganization of the SMV oil fields is under way. A new derrick has been erected in Matzen for a well which has not yet been brought in. ITAG fields are being shut down. ITAG- Rannersdorf has been ordered to stop all exploratory drilling. All ITAG stocks are being sold to the SMV Neusiedl warehouse at high prices. The drilling has stopped at Muehlberg and Maustrenk, but the derricks have not yet been dismantled. The DEA I Neusiedl offices are being moved to Zistersdorf. A second refinery which was recently built near Voelau started production about 1 August 1949. An estimated 75 tons of machinery, piping, pistons, and a six ton bruising mill are being shipped from the original Voelau refinery to the SMV warehouse in Lobau.
3. The SMV team which is inspecting the machinery for shipment to the USSR is particularly interested in special machine tools of non-Austrian manufacture. The team recently requested all available and new spare parts of a U.S. - made milling machine at Mannesmann-Traulz. According to Mitelman, this machine is to be shipped to the USSR, although it is now being used for current production.
4. During July 1949, the sale of machinery and materials from the SMV Lobau and Neusiedl warehouses netted the SMV a total of 12,733,713.12 schillings.

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